

June 7, 2005

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, DC 20554

**Re: Notice of *Ex Parte* Meeting; CC Docket No. 96-45
Virginia PCS Alliance, L.C. and Richmond 20 MHz, LLC (d/b/a NTELOS)
Application for Designation as Eligible Telecommunications Carriers in the
Commonwealth of Virginia**

Dear Secretary Dortch:

Pursuant to Section 1.1206 of the Federal Communications Commission's ("FCC" or "Commission") Rules, 47 C.F.R. § 1.1206, this letter provides notice that on June 6, 2005, Mary McDermott, Senior Vice President-Legal and Regulatory Affairs of NTELOS, Steve Goodman, Director-Regulatory & Business Development of NTELOS, and Wendy Creeden of Swidler Berlin LLP, met with Thomas Navin, Mark Seifert, Lisa Gelb, and Jeremy Marcus of the Wireline Competition Bureau, to discuss NTELOS' above-referenced pending Application for designation as an Eligible Telecommunications Carrier ("ETC") in the Commonwealth of Virginia ("Application").

NTELOS began the meeting by providing a background on NTELOS, its wireless business, and status as an ETC. NTELOS is a rural incumbent local exchange carrier ("ILEC"), a competitive local exchange carrier ("CLEC") and a Personal Communications Service ("PCS") provider in Virginia and West Virginia. NTELOS serves approximately 48,000 ILEC lines and almost 50,000 CLEC lines. The Company launched its PCS service in 1997, and now NTELOS serves over 300,000 PCS customers in Virginia and West Virginia. A map of NTELOS services and service areas was provided to Staff and is enclosed with this Notice.

NTELOS received ETC status from the Public Service Commission of the State of West Virginia in December 13, 2003. NTELOS applied for, and received, ETC status in only the non-rural areas of its wireless service territories in West Virginia. As part of its West Virginia ETC Application, NTELOS underwent an ETC evaluation process similar to that of the FCC's. In fact, the West Virginia Public Service Commission continues to follow the guidance of the FCC

on these issues by adopting additional reporting requirements similar to those recently adopted by the FCC.¹ NTELOS is currently receiving high cost support for its non-rural wireless service territories in West Virginia.

After five other wireless competitors filed applications with the FCC seeking designation as an ETC in Virginia, NTELOS submitted its own Application with the FCC for ETC designation in Virginia. It is important to note that NTELOS has limited its ETC designated service area to the portions of its wireless service area served by non-rural ILECs. Significantly, NTELOS does not seek ETC designation in the service territories of rural ILECs, nor does the Company seek to redefine any study area. NTELOS' Virginia ETC Application has been pending with the Commission since November 10, 2003. Per staff's request, NTELOS has supplemented its Application twice, first in May 2004 and most recently, in January 2005.

In its meeting, NTELOS asked that the Commission expeditiously complete the processing of its pending ETC Application. NTELOS noted that its ETC Application has been pending with the Commission for almost 19 months. Four of the five other Virginia ETC applications, however, were processed in a shorter amount of time, even though two of them sought designation the rural areas of their service territories in addition to the non-rural areas. Currently, these competitors are eligible to receive federal high cost support, some as much as \$676,000 per month. NTELOS does not currently receive any high cost support for Virginia, but estimates that it likely would be eligible to receive at least \$100,000 in monthly high cost support upon grant of its pending ETC Application. A chart detailing the processing times for the Virginia ETC applications and each carrier's estimated monthly high cost support was provided to Staff and is enclosed with this Notice as well.

NTELOS explained that carriers for whom ETC status is delayed are at a competitive disadvantage to those carriers whose ETC applications have been granted. Indeed, grant of ETC status to some, and not others, alters competitive landscape in the wireless marketplace. It has always been a challenge for a regional, Tier III carrier like NTELOS to compete with national carriers like Sprint, Nextel, and ALLTEL (all three of whom have been granted ETC status). The ALLTEL/Western Wireless merger and the Sprint/Nextel merger are giving these carriers additional economies of scale – and a larger geographic scope. In addition to these marketplace challenges, because of the ETC situation at the FCC, NTELOS is forced to compete with these wireless providers who have access to universal service funds when NTELOS does not. NTELOS urges the Commission to not exacerbate this problem with long delays, but instead expeditious grant NTELOS' ETC Application and allow NTELOS to receive high cost funding under similar time frames as its competitors.

Finally, NTELOS reiterated that the grant of the Company's pending Application for ETC designation in Virginia is in the public interest. With its 100 year history, NTELOS has a strong commitment to Virginia, including the rural areas. NTELOS' capital spending reflects

¹ See *General Investigation Regarding Certification of Federal Universal Service Funding for Eligible Telecommunications Carriers in West Virginia*, Case No. 05-0714-t-G-1, Commission Order (W.V. Pub. Serv. Comm'n May 17, 2005).

Marlene H. Dortch
June 7, 2005
Page 3 of 3

that commitment and the company will invest the universal service support in the area where it has asked to be designated as an ETC. One measure of investment in the wireless industry is Cumulative Capital Spending per Covered POP. NTELOS' investment per POP compares favorably to that of the regional and national carriers that have been certified as ETCs in Virginia.

Pursuant to the Commission's Rules, this Notice is being electronically submitted for filing in the above-referenced proceeding. If you have any questions regarding this Notice, please do not hesitate to contact the undersigned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Wendy M. Creeden", with a long horizontal flourish extending to the right.

Wendy M. Creeden

Counsel for NTELOS

Enclosures

cc: Thomas Navin (FCC)
Mark Seifert (FCC)
Lisa Gelb (FCC)
Jeremy Marcus (FCC)
Mary McDermott (NTELOS)
Steve Goodman (NTELOS)
Tamar Finn (Swidler)

Wireless ETCs in Virginia

Company	ETC Status Processing Time	ETC App Filed	ETC Status Granted	Rural/ Non-Rural	Monthly High Cost Support
Virginia Cellular LLC	21 months	04/26/2002	01/22/2004	Both	\$147,262
Highland Cellular, Inc.	19 months	09/19/2002	04/12/2004	Both	\$4,831
Nextel Partners	16 months	04/23/2003	08/25/2004	Both	\$44,925
Sprint Spectrum, LP	14 months	08/29/2003	11/18/2004	Non-Rural	\$676,662*
ALLTEL Communications	16 months	04/14/2003	09/24/2004	Non-Rural	\$363,627
NTELOS	Pending almost 19 months	11/10/2003	Pending almost 19 months	Non-Rural	None

* Sprint Spectrum, LP (Sprint) is authorized as an ETC in Virginia, but is not yet receiving support. \$676, 662 is USAC's estimate of the monthly high cost support that Sprint is eligible to receive.